



FOR CLERK USE ONLY

City Council

Item No. 5

CITY COUNCIL AGENDA FACT SHEET

Finance
DepartmentAugust 3, 2010
Requested Date1. **Request:**

Council Approval

☒Information Only/
Presentation☐

Other (specify)

☐

Hearing

☐2. **Requested Action:**

Approve Resolution No. 10-____ setting forth the Appropriations Limit for Fiscal Year 2010-11 consistent with Article XIII B of the California Constitution and giving notice of the availability of information supporting said determination.

3. **Fiscal Impact:**

Revenue:

Increase

☐

Source: _____

Decrease

☐

Amount: _____

Cost:

Increase

☐

Source: _____

Decrease

☐

Amount: _____

Does Not Apply

☒4. **Reviewed By:**Finance Dept. on 7/22/2010By: [Signature]

Comments: _____

City Attorney on _____

By: _____

Comments: _____

Note: Back up must be submitted along with this form. Deadline is 5:00 p.m., 2 Fridays before the scheduled meeting date.

CLERK USE ONLY:

CITY COUNCIL DATE: _____

Action

☐

Filing

☐

Consent

☐

Presentation

☐

Hearing

☐

Other(specify) _____

☐

Reviewed by: City Clerk _____

City Manager _____

Date _____

Date _____

CITY COUNCIL AGENDA REPORT

SUBJECT: Appropriations Limit for Fiscal Year 2010-11

AGENDA DATE: August 3, 2010

PREPARED BY: Judith Hashem, Finance Director

APPROVED FOR AGENDA BY: Victor M. Carrillo, City Manager

RECOMMENDATION:

The City Council is requested to take the following action:

- 1. Approve the resolution setting the appropriations limit for Fiscal Year 2010-11 at \$21,251,131.**

FISCAL IMPACT: N/A

BACKGROUND: In November 1979, the voters of the State of California approved Proposition 4, known as the Gann Initiative. The Proposition created Article XIII of the State Constitution placing limits on the amount of revenue, which can be spent by all entities of government. Proposition 4 became effective 1980-81 Fiscal Year, but the formula for calculating the limits are based on revenues for Fiscal Year 1978-79 considered the "base year".

In order to increase accountability of local government in adopting their limits, the voters approved Proposition III in June 1990. Government Code Section 7910 requires adoption of the Appropriations Limit by resolution for the following fiscal year.

During any fiscal year, a city may not appropriate any proceeds of taxes they receive in excess of their limit, adjusted for changes in cost-of-living and population without carrying them into the subsequent fiscal year, if below their limit in that year, or returned to the taxpayers by reducing fees or reducing tax rates.

Proceeds of taxes include all taxes levied by or for an agency, any revenue from regulatory licenses, user charges and user fees to the extent that the proceeds from the fees exceed the cost of providing the service, regulation, or product, discretionary state subventions and/or interest on investment of proceeds of taxes.

The Appropriations Limit applies to all taxes levied by an agency, with some exceptions like Redevelopment Agency, Enterprise, and Special Assessment District Funds.

Annually this limit is calculated and audited to assure compliance with the law. Once the Appropriations Limit has been adopted, the City must publish pursuant to Government Code the limit and total appropriations subject to the limitation in the annual budget. The City must also file with the State Controller, along with the

Annual Report of Financial Transactions an informational form no later than 90 days after the start of each fiscal year.

Under the provisions of Article XIII of the California Constitution and the implementing legislation, the City must adopt a Fiscal Year 2010-11 Appropriations Limit.

The following summarizes the determination of the 2010-11 Limit:

CPI Change Factor .9746

2010 Population Change Factor

(39,380 vs 40,075) 1.0176

Ratio of Change .9746 X 1.0176 = .9918

2009-10 Appropriations Limit \$21,426,831

Change Factor x .9918

2010-11 Appropriations Limit \$21,251,131

The City of Calexico's Appropriation Limit from proceeds of taxes for Fiscal Year 2010-11 is \$21,251,131.

Agenda Item No. _____

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RESOLUTION NO. 10-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO
SETTING FORTH THE APPROPRIATIONS LIMIT FOR FISCAL YEAR
2010-11 CONSISTENT WITH ARTICLE XIII B OF THE CALIFORNIA
CONSTITUTION AND GIVING NOTICE OF THE AVAILABILITY OF
INFORMATION SUPPORTING SAID DETERMINATION.**

WHEREAS, the City of Calexico established \$21,251,131 as the limit for appropriations of the proceeds of taxes for Fiscal Year 2010-11; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALEXICO,
CALIFORNIA, DOES RESOLVE AS FOLLOWS:**

That the Finance Director shall make available for public inspection, supporting information used in deriving said limit.

PASSED, APPROVED AND ADOPTED this 3rd day of August, 2010.

JOHN MORENO, MAYOR

ATTEST:

LOURDES CORDOVA, CITY CLERK

APPROVED AS TO FORM:

JENNIFER M. LYON, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL) SS.
CITY OF CALEXICO)

I, LOURDES CORDOVA, CITY CLERK OF THE CITY OF CALEXICO, DO HEREBY
CERTIFY THAT THE ABOVE AND FOREGOING RESOLUTION NO. 10-____ WAS DULY
PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CALEXICO ON
THIS 3RD DAY OF AUGUST, 2010 BY THE FOLLOWING VOTE, TO-WIT:

AYES:
NOES:
ABSENT:

LOURDES CORDOVA, CITY CLERK

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